Consolidated Financial Results for the Year Ended June 30, 2017 (Japanese GAAP)

August 7, 2017

Company name:	Lasertec Corporation
Stock exchange listing:	Tokyo Stock Exchange
Code number:	6920
URL:	http://www.lasertec.co.jp/
Representative:	Osamu Okabayashi Representative Director and President
Contact for inquiries:	Shu Uchiyama Managing Director and Chief Administrative Officer Phone: +81-45-478-7111
Date of general shareholders meeting:	September 27, 2017
Date of dividend payable date:	September 28, 2017
Date of filing the securities report:	September 28, 2017
Preparation of supplementary materials for financial results:	Yes
Financial results briefing:	Yes (for analysts and institutional investors)

(Figures less than a million yen are rounded down.)

1. Consolidated financial results for the year ended June 30, 2017

(1) Consolidated operating results

(The percentage figures indicate changes from the previous fiscal year.)

Fiscal year ended	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June 30, 2017	17,369	13.6	4,960	12.0	4,989	9.0	3,554	10.1
June 30, 2016	15,291	0.7	4,428	(6.2)	4,575	(1.2)	3,227	9.3

(Note) Comprehensive income: Year ended June 30, 2017: 3,821 million yen [34.8%]
Year ended June 30, 2016: 2,834 million yen [-10.4%]

Fiscal year ended	Net income per share	Net income per share, fully diluted	Return on shareholders' equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
June 30, 2017	78.84	78.77	15.4	16.9	28.6
June 30, 2016	71.59	71.53	15.5	18.5	29.0

(Reference) Profit/loss on equity method: Year ended June 30, 2017: None Year ended June 30, 2016: None

(Note) Effective April 1, 2017, the company split its common stock 2 for 1 in accordance with the resolution of the Board of Directors dated February 27, 2017. The figures of "net income per share" and "net income per share, fully diluted" are calculated as if the stock split took place at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
June 30, 2017	33,019	24,479	74.1	542.43
June 30, 2016	25,870	21,808	84.2	483.19

(Reference) Equity: June 30, 2017: 24,457 million yen June 30, 2016: 21,786 million yen

(Note) Effective April 1, 2017, the company split its common stock 2 for 1 in accordance with the resolution of the Board of Directors dated February 27, 2017. The figures of “net assets per share” are calculated as if the stock split took place at the beginning of the previous fiscal year.

(3) Consolidated cash flow position

Fiscal year ended	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
June 30, 2017	3,549	(618)	(1,151)	9,736
June 30, 2016	3,083	(368)	(1,038)	7,967

2. Dividends

Fiscal year ended	Dividend per share					Dividend payment (Total)	Dividend ratio (Consolidated)	The ratio of dividend to shareholders' equity (Consolidated)
	End 1Q	End 2Q	End 3Q	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
June 30, 2016	--	0.00	--	51.00	51.00	1,149	35.6	5.5
June 30, 2017	--	0.00	--	28.00	28.00	1,262	35.5	5.5
June 30, 2018 (Forecast)	--	12.00	--	18.00	30.00		35.6	

(Note) Effective April 1, 2017, the company split its common stock 2 for 1 in accordance with the resolution of the Board of Directors dated February 27, 2017. The figure of dividend per share for the year-end of June 30, 2016 is a figure before the stock split whereas the figures of dividend per share for the fiscal year ended June 30, 2017 and for the fiscal year ending June 30, 2018 (forecast) are figures after the stock split.

3. Forecast of consolidated financial results for the year ending June 30, 2018

(The percentage figures indicate changes from the same period of the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First 2Qs	10,600	20.3	2,600	(3.7)	2,600	(5.9)	1,950	0.6	43.25
Annual	21,000	20.9	5,000	0.8	5,000	0.2	3,800	6.9	84.28

(Note) Effective April 1, 2017, the company split its common stock 2 for 1 in accordance with the resolution of the Board of Directors dated February 27, 2017. In the forecast of consolidated financial results, the figures of “net income per share” are calculated based on the number of issued shares (excluding the number of treasury stock) after the stock split.

※ Notes

(1) Significant changes of subsidiaries during the period (changes of specified subsidiaries accompanying changes in the scope of consolidation): Yes

Number of subsidiaries added to consolidation: One (Company name: Lasertec China Co., Ltd.),
Number of subsidiaries excluded from consolidation: None (Company names: N/A)

(2) Changes in accounting policy, changes or restatement of accounting estimates
(a) Changes in accounting policy due to revision of accounting standards: None
(b) Changes in accounting policy other than (a): None
(c) Changes in accounting estimates: None
(d) Restatement due to revision: None

(3) Number of issued shares (common stock):

(Shares)

(a) Number of issued shares at the end of the period (including treasury stock)	June 30, 2017	47,143,200	June 30, 2016	47,143,200
(b) Number of treasury stock at the end of the period	June 30, 2017	2,053,968	June 30, 2016	2,053,600
(c) Average number of shares during the period	June 30, 2017	45,089,356	June 30, 2016	45,089,600

(Note) Effective April 1, 2017, the company split its common stock 2 for 1 in accordance with the resolution of the Board of Directors dated February 27, 2017. The number of issued shares at the end of the period (including treasury stock), the number of treasury stock at the end of the period, and the average number of shares during the period are calculated as if the stock split took place at the beginning of the previous fiscal year.

(Reference) Financial Results for the Year Ended June 30, 2017 (Non-Consolidated)

1. Financial results

(1) Operating results

(The percentage figures indicate changes from the previous fiscal year.)

Fiscal year ended	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June 30, 2017	15,806	9.9	4,004	0.9	4,595	15.0	3,390	16.5
June 30, 2016	14,383	3.0	3,966	(5.8)	3,995	(11.4)	2,911	(2.1)

Fiscal year ended	Net income per share	Net income per share, fully diluted
	Yen	Yen
June 30, 2017	75.20	75.14
June 30, 2016	64.56	64.51

(Note) Effective April 1, 2017, the company split its common stock 2 for 1 in accordance with the resolution of the Board of Directors dated February 27, 2017. The figures of "net income per share" and "net income per share, fully diluted" are calculated as if the stock split took place at the beginning of the previous fiscal year.

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
June 30, 2017	31,320	23,148	73.8	512.91
June 30, 2016	24,621	20,724	84.1	459.15

(Reference) Equity: June 30, 2017: 23,126 million yen June 30, 2016: 20,703 million yen

(Note) Effective April 1, 2017, the company split its common stock 2 for 1 in accordance with the resolution of the Board of Directors dated February 27, 2017. The figures of “net assets per share” are calculated as if the stock split took place at the beginning of the previous fiscal year.

※ **This summary of financial results and its related materials are not subject to auditing.**

※ **Cautionary statement for proper use of forecast of financial results and other special notes**

(Cautions about forward-looking statements)
The forecast of financial results provided in this summary and its related materials is based on information available to the company at the time of announcement and on assumptions it has judged to be reasonable. We make no guarantees about achieving the forecast provided herein. Actual results may differ materially from the forecast due to various factors.

(Availability of presentation materials of financial results)
Lasertec will make a presentation of financial results to analysts and institutional investors on August 9, 2017. The presentation materials provided at this meeting will be available on our website.

Contents of Supplementary Material

1. Analysis of Operating Results and Financial Position……2
(1) Analysis of operating results……2
(2) Analysis of financial position……2
(3) Basic policy concerning profit distribution and payment of dividends in this fiscal year and the next fiscal year……3

2. Status of our Group ……5

3. Basic Policy on Selection of Accounting Principles……6

4. Consolidated Financial Statements……7
(1) Consolidated balance sheet ……7
(2) Consolidated statement of income and consolidated statement of comprehensive income…9
Consolidated statement of income ……9
Consolidated statement of comprehensive income…… 10
(3) Consolidated statement of shareholders' equity…… 11
(4) Consolidated statement of cash flows …… 13
(5) Notes on the consolidated financial statements …… 14

(Reference) …… 15

5. Non-Consolidated Financial Statements …… 16
(1) Balance sheet (non-consolidated)…… 16
(2) Statement of income (non-consolidated)…… 18
(3) Statement of shareholders' equity (non-consolidated)…… 19

1. Analysis of Operating Results and Financial Position

(1) Analysis of operating results

① Outline of this fiscal year (ended June 2017)

The status of the global economy during the fiscal year ended June 2017 is summarized as follows. In the United States, employment and consumer spending grew steadily. In Europe, the Euro zone nations continued having a gradual recovery despite lingering concerns about the future political and economic outlook in the aftermath of Brexit. In China, as a result of expansionary fiscal policy to support stable growth mainly through investment in infrastructure and IT industry, economic slowdown took a slower pace. However, geopolitical risks became higher in the Middle East and Northeast Asia, and questions were raised about the likelihood of policy implementation in some leading industrialized nations.

As for the Japanese economy, corporations continued having good financial results and started making higher production activities and larger capital expenditures. While the number of employment also increased, there were signs of recovery in consumer spending as well.

In the semiconductor industry, which is the primary market of our Group, memory manufacturers and foundries made aggressive capital expenditures amid the spread of Internet of Things (IoT), which connects various devices through the Internet, as well as due to rising demand for data servers.

A summary of other industries related to the remainder of our business is as follows: in the flat panel display (FPD) industry, investments were made for the production of organic light emitting diode (OLED) panels in Korea and for large-panel production facilities in China.

Under these circumstances, our consolidated net sales for this fiscal year recorded 17,369 million yen, up 13.6% from the previous fiscal year. By product segment, semiconductor-related products accounted for 12,311 million yen (up 22.7%), other products for 1,953 million yen (down 31.9%) and services for 3,103 million yen (up 29.9%).

As for consolidated income for this fiscal year, we recorded an operating profit of 4,960 million yen (up 12.0%), an ordinary profit of 4,989 million yen (up 9.0%), and a 3,554 million yen net profit attributable to owners of parent (up 10.1%).

② Forecast for the next fiscal year (ending June 2018)

We expect the global economy to continue its gradual growth and the Japanese economy to remain on a recovery trend despite rising geopolitical risks and movement towards stronger protectionist measures in some regions.

In the semiconductor industry, which is our Group's primary market, we expect that major foundries continue their investment in the advanced technology nodes of 10nm through 7nm and that NAND memory manufacturers make aggressive investment to shift their production to 3D type devices. In the FPD industry, we expect that investment in OLED panels continues and that investment in the production of large panels called G10.5 starts in earnest.

Under the circumstances, we forecast our consolidated results in the fiscal year ending June 2018 to be 21,000 million yen in sales, 5,000 million yen in operating profit, 5,000 million yen in ordinary profit and 3,800 million yen in net profit attributable to owners of the parent.

(2) Analysis of financial position

① Assets, Liabilities, and Net Assets

Total assets at the end of this consolidated fiscal year amounted to 33,019 million yen, up 7,149 million yen from the end of the previous fiscal year. This is mainly because of a 2,147 million yen increase in work in process, a 1,812 million yen increase in notes and accounts receivable-trade, and a 1,775 million yen increase in cash and deposits.

Liabilities at the end of this consolidated fiscal year amounted to 8,539 million yen, up 4,478 million yen from the end of the previous fiscal year. This is mainly because of a 3,230 million yen increase in advances received and a 718 million yen increase in accounts payable-trade.

Shareholders' equity at the end of this consolidated fiscal year amounted to 24,243 million yen, up

2,404 million yen from the end of the previous fiscal year. This is mainly because we earned a 3,554 million yen net profit attributable to owners of parent whereas we paid 1,149 million yen in dividends.

Net assets, which consist of shareholders' equity, other accumulated comprehensive income, and subscription rights to shares, amounted to 24,479 million yen. The equity ratio became 74.1%.

② Cash Flows

Cash and cash equivalents at the end of this fiscal year amounted to 9,736 million yen, up 1,769 million yen from the end of the previous fiscal year. Following is the status of cash flows and their contributing factors during this fiscal year.

Net cash provided by operating activities amounted to 3,549 million yen (up 15.1% from the previous fiscal year). This is mainly because the sum of cash receipt, such as 4,989 million yen in income before income taxes and minority interests and a 3,226 million yen increase in advances received, exceeded the sum of cash payment, such as a 2,155 million yen increase in inventories and a 1,769 million yen increase in notes and accounts receivable-trade.

Net cash used in investing activities amounted to 618 million yen (up 67.7% from the previous fiscal year). This is mainly due to 475 million yen used for purchase of property, plant and equipment.

Net cash used in financing activities amounted to 1,151 million yen (up 10.9% from the previous fiscal year). This is mainly due to 1,149 million yen used for the payment of cash dividends.

Indexes associated with cash flows for the past few years are provided below:

	Year ended June 2014	Year ended June 2015	Year ended June 2016	Year ended June 2017
Equity ratio (%)	80.4	84.6	84.2	74.1
Equity ratio on market price basis (%)	106.2	161.5	108.2	213.4
Ratio of interest-bearing debts to cash flows (year)	--	--	--	--
Interest coverage ratio (times)	374.1	1,544.4	--	25,421.6

- Equity ratio: Net assets divided by total assets
- Equity ratio on market price basis: Market capitalization divided by total assets
- Ratio of interest-bearing debts to cash flows: Interest-bearing debts divided by cash flows from operating activities
- Interest coverage ratio: Cash flows divided by paid interests

(Note 1) Each index is calculated based on consolidated financial results.
(Note 2) Market capitalization is calculated based on the total number of issued shares minus the number of treasury stock.
(Note 3) Cash flows denote the cash flows from operating activities on the consolidated statement of cash flows.
(Note 4) Interest-bearing debts denote all interest-bearing liabilities on the consolidated balance sheet.

(3) Basic policy concerning profit distribution and payment of dividends in this fiscal year and the next fiscal year.

Our basic policy concerning dividends is to flexibly pay dividends based on performance while maintaining a stable profit return, with a consolidated dividend payout ratio guideline of 35%.

As for retained earnings, our policy is to use them effectively for research and development of new technologies and products, for capital investment in line with business growth, and for hiring good

talents in order to facilitate the further improvement of company quality and the establishment of a long-sustainable business foundation.

In view of better profit return for shareholders, we have decided to change our policy on dividend of surplus from the current annual payout of year-end dividend to semi-annual payout of interim and year-end dividends. We plan to start the payment of interim dividend from the next fiscal year (fiscal year ending June 30, 2018). Our articles of incorporation state that we may, "by resolution of the Board of Directors, pay interim dividends to the shareholders or registered pledgees of shares appearing or recorded on the final Register of Shareholders as of December 31 of each year." Interim dividends can be made with the resolution of the Board of Directors whereas year-end dividends are subject to approval at the general meeting of shareholders.

For this fiscal year, we are planning to pay a dividend of 28 yen per share.

In the next fiscal year, we plan to pay 30 yen dividends per share (12 yen as interim dividend and 18 yen as year-end dividend) based on our business forecast. The dividend ratio is expected to be 35.6% on a consolidated basis.

(Notes) Effective April 1, 2017, the company split its common stock 2 for 1 in accordance with the resolution of the Board of Directors dated February 27, 2017. The figures of dividend per share for the fiscal year ended June 30, 2017 and for the fiscal year ending June 30, 2018 are figures after the stock split.

2. Status of our Group

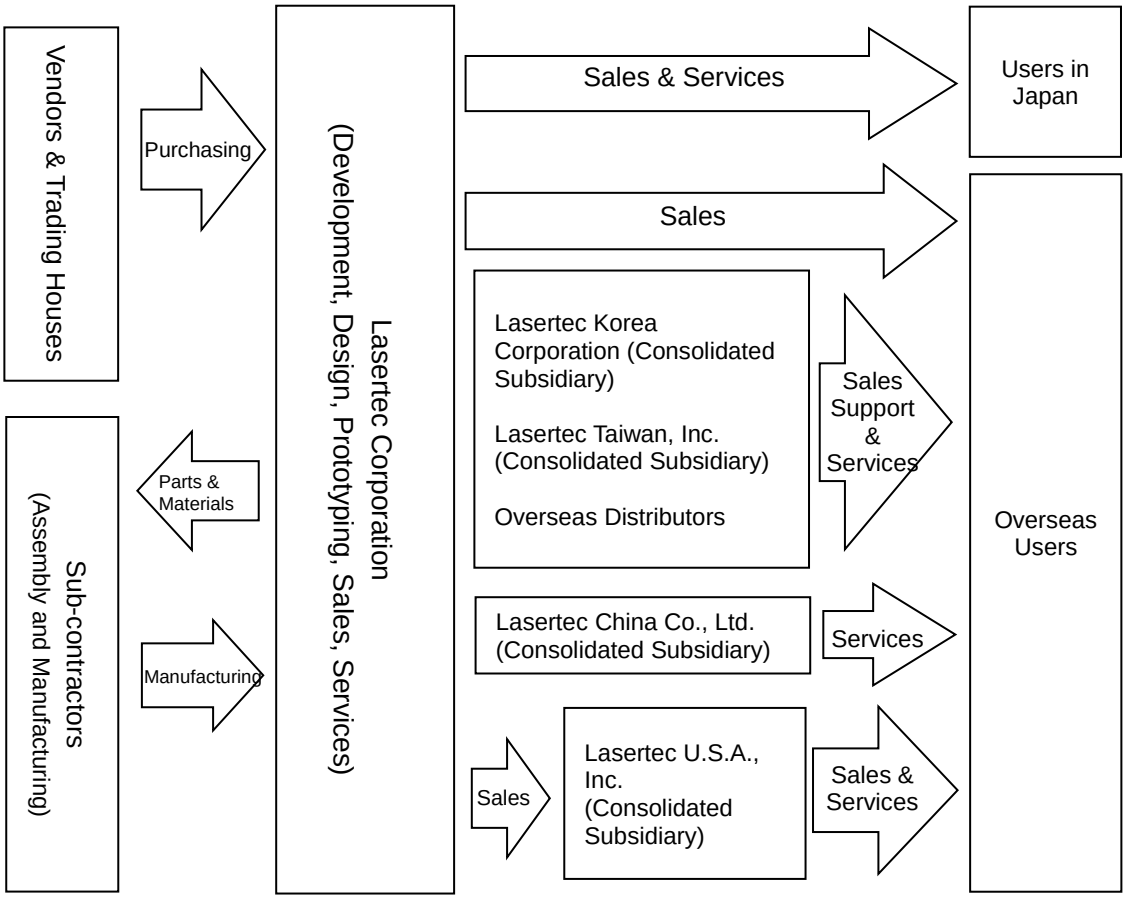
The business of our Group consists of a single segment - design, manufacture and sale of inspection and measurement equipment – and it is sub-divided into the following operations: design, manufacture, sale and service of semiconductor-related products and other products.

Among the operations described above, the design and manufacture of semiconductor-related products and other products are conducted by Lasertec Corporation.

Sales in North America and Europe are executed by Lasertec U.S.A., Inc., a consolidated subsidiary, whereas sales in Japan and Asia fall within the responsibility of Lasertec Corporation.

As for provision of services, Lasertec USA, Inc. is assigned to perform the task in North America and Europe whereas Lasertec Korea Corporation, Lasertec Taiwan, Inc., and Lasertec China Co., Ltd., all of which are consolidated subsidiaries, are assigned to do the task in Korea, Taiwan, and China, respectively. Lasertec Corporation provides services in Japan and the remaining Asian countries.

Operations of Lasertec Corporation and its related parties are described below in a business flow chart.



3. Basic Policy on Selection of Accounting Principles

In light of comparability with the results of previous fiscal years and other companies, we will continue to use the Japanese GAAP for the time being for compiling consolidated financial statements. With respect to the adoption of IFRS, we will carefully consider various factors in Japan and abroad in order to make a proper decision.

4. Consolidated Financial Statements

(1) Consolidated balance sheet

(In thousands of yen)

	Previous (As of June 30,2016)	Current (As of June 30,2017)
Assets		
Current assets		
Cash and deposits	8,030,620	9,805,620
Notes and accounts receivable-trade	3,613,133	5,425,336
Work in process	4,392,408	6,540,058
Raw materials and supplies	1,224,751	1,260,612
Deferred tax assets	776,831	720,179
Other	765,855	1,693,510
Allowance for doubtful accounts	(3,752)	(6,054)
Total current assets	18,799,848	25,439,264
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	3,652,030	3,764,417
Accumulated depreciation	(1,823,243)	(1,875,031)
Buildings and structures, net	1,828,786	1,889,385
Machinery, equipment and vehicles	147,371	264,571
Accumulated depreciation	(142,954)	(160,088)
Machinery, equipment and vehicles, net	4,417	104,482
Tools, furniture and fixtures	1,333,159	1,568,612
Accumulated depreciation	(915,528)	(1,150,343)
Tools, furniture and fixtures, net	417,630	418,268
Leased assets	6,600	6,600
Accumulated depreciation	(2,860)	(4,180)
Leased assets, net	3,740	2,420
Land	4,254,773	4,254,773
Construction in progress	14,453	7,257
Total property, plant and equipment	6,523,802	6,676,588
Intangible assets	48,717	173,163
Investments and other assets		
Investment securities	324,967	583,522
Long-term accounts receivable-other	73,334	--
Deferred tax assets	60,501	100,602
Other	39,097	46,254
Allowance for doubtful accounts	(195)	(179)
Total investments and other assets	497,704	730,199
Total noncurrent assets	7,070,225	7,579,952
Total assets	25,870,073	33,019,216

(In thousands of yen)

	Previous (As of June 30, 2016)	Current (As of June 30, 2017)
Liabilities		
Current liabilities		
Accounts payable-trade	909,233	1,627,714
Income taxes payable	880,398	863,312
Advances received	1,071,163	4,301,398
Provision for directors' bonuses	160,000	209,000
Provision for product warranties	196,380	288,821
Other	622,306	1,038,708
Total current liabilities	3,839,482	8,328,956
Noncurrent liabilities		
Net defined benefit liability	196,484	187,690
Other	25,810	23,224
Total noncurrent liabilities	222,295	210,914
Total liabilities	4,061,777	8,539,870
Net assets		
Shareholders' equity		
Capital stock	931,000	931,000
Capital surplus	1,080,360	1,080,360
Retained earnings	20,804,057	23,209,112
Treasury stock	(976,139)	(976,494)
Total shareholders' equity	21,839,277	24,243,978
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	112,137	295,176
Foreign currency translation adjustment	(164,617)	(81,307)
Total accumulated other comprehensive income	(52,479)	213,868
Subscription rights to shares	21,498	21,498
Total net assets	21,808,296	24,479,345
Total liabilities and net assets	25,870,073	33,019,216

(2) Consolidated statement of income and consolidated statement of comprehensive income

(Consolidated statement of income)

(In thousands of yen)

	Previous (July 1, 2015 thru June 30, 2016)	Current (July 1, 2016 thru June 30, 2017)
Net sales	15,291,790	17,369,001
Cost of sales	6,403,806	7,814,903
Gross profit	8,887,984	9,554,097
Selling, general and administrative expenses	4,459,919	4,593,483
Operating income	4,428,064	4,960,613
Non-operating income		
Interest income	4,040	3,964
Dividend income	8,402	8,725
Foreign exchange gains	136,367	20,945
Rent income on noncurrent assets	1,608	1,791
Other	1,119	4,294
Total non-operating income	151,539	39,720
Non-operating expenses		
Interest expenses	--	139
Loss on valuation of golf club membership	3,100	--
Loss on retirement of noncurrent assets	--	10,424
Other	1,037	370
Total non-operating expenses	4,137	10,934
Ordinary income	4,575,466	4,989,399
Income before income taxes	4,575,466	4,989,399
Income taxes-current	1,308,187	1,488,860
Income taxes-deferred	39,320	(54,300)
Total income taxes	1,347,508	1,434,559
Net income	3,227,958	3,554,840
Net income attributable to owners of parent	3,227,958	3,554,840

(Consolidated statement of comprehensive income)

(In thousands of yen)

	Previous (July 1, 2015 thru June 30, 2016)	Current (July 1, 2016 thru June 30, 2017)
Net income	3,227,958	3,554,840
Other comprehensive income		
Valuation difference on available-for-sale securities	(223,769)	183,038
Foreign currency translation adjustment	(169,957)	83,310
Total other comprehensive income	(393,727)	266,348
Comprehensive income	2,834,231	3,821,189
Comprehensive income attributable to owners of the parent	2,834,231	3,821,189
Comprehensive income attributable to non-controlling interests	--	--

(3) Consolidated statement of shareholders' equity

(In thousands of yen)

	Previous (July 1, 2015 thru June 30, 2016)	Current (July 1, 2016 thru June 30, 2017)
Shareholders' equity		
Capital stock		
Balance at the beginning of the period	931,000	931,000
Changes during the period		
Total changes during the period	--	--
Balance at the end of the period	931,000	931,000
Capital surplus		
Balance at the beginning of the period	1,080,360	1,080,360
Changes during the period		
Total changes during the period	--	--
Balance at the end of the period	1,080,360	1,080,360
Retained earnings		
Balance at the beginning of the period	18,613,159	20,804,057
Changes during the period		
Dividends of surplus	(1,037,060)	(1,149,784)
Net income	3,227,958	3,554,840
Purchase of treasury shares		
Total changes during the period	2,190,897	2,405,055
Balance at the end of the period	20,804,057	23,209,112
Treasury stock		
Balance at the beginning of the period	(976,139)	(976,139)
Changes during the period		
Purchase of treasury shares		(354)
Total changes during the period	--	(354)
Balance at the end of the period	(976,139)	(976,494)
Total shareholders' equity		
Balance at the beginning of the period	19,648,379	21,839,277
Changes during the period		
Dividends of surplus	(1,037,060)	(1,149,784)
Net income	3,227,958	3,554,840
Purchase of treasury shares		(354)
Total changes during the period	2,190,897	2,404,700
Balance at the end of the period	21,839,277	24,243,978

(In thousands of yen)

	Previous (July 1, 2015 thru June 30, 2016)	Current (July 1, 2016 thru June 30, 2017)
Other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of the period	335,907	112,137
Changes during the period		
Net changes of items other than shareholders' equity	(223,769)	183,038
Total changes during the period	(223,769)	183,038
Balance at the end of the period	112,137	295,176
Foreign currency translation adjustment		
Balance at the beginning of the period	5,340	(164,617)
Changes during the period		
Net changes of items other than shareholders' equity	(169,957)	83,310
Total changes during the period	(169,957)	83,310
Balance at the end of the period	(164,617)	(81,307)
Total other comprehensive income		
Balance at the beginning of the period	341,247	(52,479)
Changes during the period		
Net changes of items other than shareholders' equity	(393,727)	266,348
Total changes during the period	(393,727)	266,348
Balance at the end of the period	(52,479)	213,868
Subscription rights to shares		
Balance at the beginning of the period	21,498	21,498
Changes during the period		
Net changes of items other than shareholders' equity	--	--
Total changes during the period	--	--
Balance at the end of the period	21,498	21,498
Total net assets		
Balance at the beginning of the period	20,011,125	21,808,296
Changes during the period		
Dividends of surplus	(1,037,060)	(1,149,784)
Net income	3,227,958	3,554,840
Purchase of treasury shares		(354)
Net changes of items other than shareholders' equity	(393,727)	266,348
Total changes during the period	1,797,170	2,671,049
Balance at the end of the period	21,808,296	24,479,345

(4) Consolidated statement of cash flows

(In thousands of yen)

	Previous (July 1, 2015 thru June 30, 2016)	Current (July 1, 2016 thru June 30, 2017)
Cash flows from operating activities		
Income before income taxes	4,575,466	4,989,399
Depreciation and amortization	271,980	418,906
Increase (decrease) in allowance for doubtful accounts	(20)	2,227
Increase (decrease) in provision for directors' bonuses	9,000	49,000
Increase (decrease) in provision for product warranties	(26,307)	90,057
Increase (decrease) in net defined benefit liability	44,311	(9,166)
Interest and dividend income	(12,443)	(12,689)
Interest expenses	--	139
Foreign exchange losses (gains)	(82,135)	56,529
Loss on valuation of golf club memberships	3,100	--
Decrease (increase) on notes and accounts receivable-trade	(102,476)	(1,769,435)
Decrease (increase) in inventories	(1,193,598)	(2,155,116)
Decrease (increase) in long-term account receivable-other	73,334	73,334
Increase (decrease) in accounts payable-trade	354,747	104,960
Increase (decrease) in advances received	495,481	3,226,321
Other, net	95,202	57,825
Sub-total	4,505,640	5,122,294
Interest and dividend income received	12,661	12,577
Interest expenses paid	--	(139)
Income taxes paid	(1,435,273)	(1,585,472)
Net cash provided by (used in) operating activities	3,083,029	3,549,261
Cash flows from investing activities		
Payments into time deposits	(62,720)	(137,340)
Proceeds from withdrawal of time deposits	62,720	137,340
Purchase of property, plant and equipment	(353,286)	(475,697)
Purchase of intangible assets	(15,510)	(142,567)
Other, net	14	--
Net cash provided by (used in) investing activities	(368,782)	(618,264)
Cash flows from financing activities		
Cash dividends paid	(1,037,060)	(1,149,784)
Other, net	(1,320)	(1,674)
Net cash provided by (used in) financing activities	(1,038,380)	(1,151,459)
Effect of exchange rate change on cash and cash equivalents	(245,254)	(10,486)
Net increase (decrease) in cash and cash equivalents	1,430,610	1,769,050
Cash and cash equivalents at beginning of period	6,537,289	7,967,900
Cash and cash equivalents at end of period	7,967,900	9,736,950

(5) Notes on the consolidated financial statements

(Note on going concern)
None

(Additional information)
(Adoption of “Implementation Guidance on Recoverability of Deferred Tax Assets”)
Since the beginning of this fiscal year, we have adopted ASBJ Implementation Guidance No. 26 “Implementation Guidance on Recoverability of Deferred Tax Assets” dated March 28, 2016.

(Reference)

(1) Production by category

Production by category for the fiscal year is as follows.

(In thousands of yen)

Category	(July 1, 2016 thru June 30, 2017)	
	Production	Year-on-year comparison (%)
Finished goods		
Semiconductor-related products	17,688,578	59.4
Other products	2,765,356	(2.8)
Sub-total	20,453,935	46.7
Services	3,103,296	29.2
Total	23,557,231	44.1

(Notes)
1. Numbers shown above are based on sales prices.
2. Consumption taxes are excluded.

(2) Orders and backlog by category

Orders and backlog by category for the fiscal year are as follows.

(In thousands of yen)

Category	(July 1, 2016 thru June 30, 2017)		(June 30, 2017)	
	Orders	Year-on-year comparison (%)	Backlog	Year-on-year comparison (%)
Finished goods				
Semiconductor-related products	19,239,774	77.7	15,137,796	84.4
Other products	2,962,802	46.1	2,570,031	64.6
Sub-total	22,202,577	72.7	17,707,828	81.2
Services	3,208,353	30.6	545,311	23.9
Total	25,410,931	66.0	18,253,139	78.8

(Notes)
1. Numbers shown above are based on sales prices.
2. Numbers reflect adjustment for cancellation and other changes.
3. Consumption taxes are excluded.

(3) Sales by category

Sales by category for the fiscal year are as follows.

(In thousands of yen)

Category	(July 1, 2016 thru June 30, 2017)	
	Sales	Year-on-year comparison (%)
Finished goods		
Semiconductor-related products	12,311,983	22.7
Other products	1,953,721	(31.9)
Sub-total	14,265,705	10.6
Services	3,103,296	29.9
Total	17,369,001	13.6

(Note) Consumption taxes are excluded.

5. Non-consolidated financial statements

(1) Balance sheet (non-consolidated)

(In thousands of yen)

	Previous (As of June 30, 2016)	Current (As of June 30, 2017)
Assets		
Current assets		
Cash and deposits	7,117,703	8,523,132
Notes receivable-trade	220,721	217,056
Accounts receivable-trade	3,114,027	4,978,455
Work in process	4,396,053	6,551,299
Raw materials and supplies	1,089,951	1,067,467
Accounts receivable-other	479,970	1,116,060
Deferred tax assets	747,277	704,224
Other	192,280	401,450
Allowance for doubtful accounts	(3,337)	(5,511)
Total current assets	17,354,647	23,553,634
Noncurrent assets		
Property, plant, and equipment		
Buildings	1,810,166	1,871,493
Structures	12,122	12,002
Machinery and equipment	4,417	104,482
Tools, furniture and fixtures	410,553	411,122
Leased assets	3,740	2,420
Land	4,254,773	4,254,773
Construction in progress	14,453	6,258
Total property, plant, and equipment	6,510,226	6,662,554
Intangible assets	48,555	173,029
Investments and other assets		
Investment securities	324,967	583,522
Stocks of subsidiaries and affiliates	147,729	147,729
Long-term accounts receivable-other	73,334	--
Deferred tax assets	148,512	180,162
Other	14,209	19,673
Allowance for doubtful accounts	(195)	(179)
Total investments and other assets	708,556	930,907
Total noncurrent assets	7,267,339	7,766,491
Total assets	24,621,987	31,320,126

(In thousands of yen)

	Previous (As of June 30, 2016)	Current (As of June 30, 2017)
Liabilities		
Current liabilities		
Accounts payable-trade	934,504	1,631,038
Accounts payable-other	381,408	667,530
Income taxes payable	795,279	739,564
Advances received	1,026,858	3,889,801
Provision for directors' bonuses	160,000	209,000
Provision for product warranties	123,954	198,758
Other	258,318	626,972
Total current liabilities	3,680,323	7,962,664
Noncurrent liabilities		
Provision for retirement benefits	192,567	187,148
Other	24,553	22,188
Total noncurrent liabilities	217,121	209,336
Total liabilities	3,897,444	8,172,000
Net Assets		
Shareholders' equity		
Capital stock	931,000	931,000
Capital surplus		
Legal capital surplus	1,080,360	1,080,360
Total capital surplus	1,080,360	1,080,360
Retained earnings		
Legal retained earnings	159,038	159,038
Other retained earnings		
General reserve	9,212,000	9,212,000
Retained earnings brought forward	10,184,648	12,425,546
Total retained earnings	19,555,686	21,796,584
Treasury stock	(976,139)	(976,494)
Total shareholders' equity	20,590,906	22,831,450
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	112,137	295,176
Total valuation and translation adjustments	112,137	295,176
Subscription rights to shares	21,498	21,498
Total net assets	20,724,542	23,148,125
Total liabilities and net assets	24,621,987	31,320,126

(2) Statement of income (non-consolidated)

(In thousands of yen)

	Previous (July 1, 2015 thru June 30, 2016)	Current (July 1, 2016 thru June 30, 2017)
Net sales	14,383,860	15,806,501
Cost of sales	6,345,172	7,636,029
Gross profit	8,038,687	8,170,471
Selling, general and administrative expenses	4,071,901	4,166,177
Operating income	3,966,786	4,004,294
Non-operating income		
Interest income	726	786
Dividend income	163,572	537,230
Foreign exchange gains	--	59,096
Rent income on noncurrent assets	1,608	1,791
Other	1,486	3,616
Total non-operating income	167,393	602,521
Non-operating expenses		
Interest expenses	--	139
Loss on valuation of golf club membership	3,100	--
Foreign exchange losses	134,663	--
Loss on retirement of noncurrent assets		10,424
Other	1,015	370
Total non-operating expenses	138,778	10,934
Ordinary income	3,995,401	4,595,881
Income before income taxes	3,995,401	4,595,881
Income taxes-current	1,083,331	1,269,311
Income taxes-deferred	958	(64,113)
Total income taxes	1,084,290	1,205,198
Profit	2,911,111	3,390,682

(3) Statement of shareholders' equity (non-consolidated)

(In thousands of yen)

	Previous (July 1, 2015 thru June 30, 2016)	Current (July 1, 2016 thru June 30, 2017)
Shareholders' equity		
Capital stock		
Balance at the beginning of the period	931,000	931,000
Changes during the period		
Total changes during the period	--	--
Balance at the end of the period	931,000	931,000
Capital surplus		
Balance at the beginning of the period	1,080,360	1,080,360
Changes during the period		
Total changes during the period	--	--
Balance at the end of the period	1,080,360	1,080,360
Retained earnings		
Legal retained earnings		
Balance at the beginning of the period	159,038	159,038
Changes during the period		
Total changes during the period	--	--
Balance at the end of the period	159,038	159,038
Other retained earnings		
General reserve		
Balance at the beginning of the period	9,212,000	9,212,000
Changes during the period		
Total changes during the period	--	--
Balance at the end of the period	9,212,000	9,212,000
Retained earnings brought forward		
Balance at the beginning of the period	8,310,598	10,184,648
Changes during the period		
Dividends of surplus	(1,037,060)	(1,149,784)
Net income	2,911,111	3,390,682
Purchase of treasury shares		
Total changes during the period	1,874,050	2,240,898
Balance at the end of the period	10,184,648	12,425,546
Total retained earnings		
Balance at the beginning of the period	17,681,636	19,555,686
Changes during the period		
Dividends of surplus	(1,037,060)	(1,149,784)
Net income	2,911,111	3,390,682
Purchase of treasury shares		
Total changes during the period	1,874,050	2,240,898
Balance at the end of the period	19,555,686	21,796,584

(In thousands of yen)

	Previous (July 1, 2015 thru June 30, 2016)	Current (July 1, 2016 thru June 30, 2017)
Treasury stock		
Balance at the beginning of the period	(976,139)	(976,139)
Changes during the period		
Purchase of treasury shares		(354)
Total changes during the period	--	(354)
Balance at the end of the period	(976,139)	(976,494)
Total shareholders' equity		
Balance at the beginning of the period	18,716,856	20,590,906
Changes during the period		
Dividends of surplus	(1,037,060)	(1,149,784)
Net income	2,911,111	3,390,682
Purchase of treasury shares		(354)
Total changes during the period	1,874,050	2,240,543
Balance at the end of the period	20,590,906	22,831,450
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the beginning of the period	335,907	112,137
Changes during the period		
Net changes of items other than shareholders' equity	(223,769)	183,038
Total changes during the period	(223,769)	183,038
Balance at the end of the period	112,137	295,176
Subscription rights to shares		
Balance at the beginning of the period	21,498	21,498
Changes during the period		
Net changes of items other than shareholders' equity	--	--
Total changes during the period	--	--
Balance at the end of the period	21,498	21,498
Total net assets		
Balance at the beginning of the period	19,074,262	20,724,542
Changes during the period		
Dividends of surplus	(1,037,060)	(1,149,784)
Net income	2,911,111	3,390,682
Purchase of treasury shares		(354)
Net changes of items other than shareholders' equity	(223,769)	183,038
Total changes during the period	1,650,280	2,423,582
Balance at the end of the period	20,724,542	23,148,125